

## EXHIBIT 228

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September 27, 2006

VIA E-MAIL AND FEDERAL EXPRESS

Steve Krantz, Esq.  
Assistant Attorney General  
State of New York, Office of the Attorney General  
Medicaid Fraud Control Unit, 19th Floor  
Empire State Plaza, Agency Building Number 2  
Albany, New York 12207

Re: Cardinal Health Inc.

Dear Mr. Krantz:

This letter is respectfully submitted on behalf of our client Cardinal Health Inc. ("Cardinal") in furtherance of our continuing settlement negotiations. As you know, we recently produced additional responsive and non-privileged documents and have reported on the status of Cardinal's ongoing efforts to complete all outstanding document review work as quickly as possible. We now write to address the latest draft of the Assurance of Discontinuance ("AOD") that we received from you on September 11, 2006.

We thank you for sending us the revised AOD. We particularly appreciate that it incorporates a number of the changes that we proposed at our meetings with you on August 21 and August 22, including limiting the scope of the reforms to Cardinal's prescription pharmaceutical business in the United States and the language that we proposed on the scope of the exception for medical emergencies. We think these are important steps toward creating a workable agreement

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that also achieves your enforcement goals. We also appreciate that, as you told me by phone on September 11, your office is still considering, and has not yet reached a decision as to, certain of our other proposals.

We are concerned, however, about the number and importance of the still open issues relating to the AOD, including:

- Findings: The draft you sent us does not contain any findings. We have yet to see a copy of any proposed findings, which, as we have explained, could threaten our ability to reach an agreement even if we were able to resolve all other open issues.
- Chain Pharmacy Warehouses: The draft that you sent us still imposes undefined obligations to perform "due diligence" with respect to chain pharmacy warehouses. As we have explained to you, certain chain pharmacies refuse to allow any sort of intrusive inspection by Cardinal or to make certifications. And these large, legitimate customers can of course take their billions upon billions of dollars in business to any wholesaler in the country. Thus, any unrealistic proposal in this area will simply mean that none of the laudable enforcement goals of the AOD will be implemented with respect to such chain pharmacy operations.
- Certifications as to Cardinal's Customers: The draft AOD also requires a certification from all of Cardinal's customers as to their sales of prescription pharmaceuticals. You have not explained how retail pharmacies present such a grave risk of diversion that Cardinal should accept the responsibility for obtaining such certifications from over 33,000 customer locations. As we explained previously, these costs would be prohibitive and are out of proportion to any demonstrable risk that such locations would engage in illegal price diversion. We believe it is much more appropriate, in light of the known facts, to limit the scope of certifications to Cardinal's wholesaler and closed-door pharmacy customers.
- Term: The AOD does not include any changes to the term and most-favored-nation provision. We look forward to hearing your response to the proposals regarding the term provisions that we made in my letter of September 5, 2006.
- Amount of Monetary Payment: This item also remains unresolved. To reiterate Cardinal's position: At our August 22 meeting, we offered to pay \$2.5 million to the State of New York, \$4.5 million to Health Research, Inc., and \$1 million for the costs of investigation.
- Description of Monetary Payment: In the draft you sent us, the description of Health Research, Inc. identifies it with New York State or its subdivisions three times and nowhere mentions that HRI transfers "health care" technology. As we have repeated many times, we do not believe that Cardinal owes

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any money damages to the State of New York, and we are willing to donate this money only because we share the goal of advancing the health of New Yorkers. We believe this description should *not* mention New York State or its subdivisions three times, and we believe it *should* use the words "health care" in accurately describing what HRI does.

- Tax Treatment: The AOD also contains an unchanged paragraph 17 regarding the tax treatment of the monetary payment. As we have previously explained, we view it as superfluous to the extent it is consistent with existing law. More importantly, the provision also unfairly characterizes the monetary payment as a penalty, which you long ago agreed to avoid doing.
- Inconsistent Law or Court Order: The AOD contains a largely unchanged paragraph 31 that runs the risk of putting Cardinal in the impossible position of violating, on one hand, a law or court order, or, on the other hand, this Assurance. According to your draft, despite the fact that RxUSA has already requested an injunction requiring Cardinal to do business with it, in the event of an inconsistent legal obligation, Cardinal could only appeal to your discretion to avoid violating the law.
- Appendix B: The draft you sent us does contain a substantially revised Appendix B, and, although we are still evaluating those revisions, we would note that it still suffers from the flaw of assuming a size and sophistication not characteristic of many niche market wholesalers, particularly with respect to an annual external audit.

We think that, overall, we have made good progress in our negotiations and remain optimistic that our differences can be resolved in future meetings and discussions, but we did want to take this opportunity to draw your attention to some of the most important open issues. We look forward to meeting soon with you and your colleagues to continue our settlement discussions.

\* \* \*

This letter (the "Submission") has been provided to the Attorney General in connection with the above-referenced investigation. The Submission contains highly confidential, sensitive and proprietary, and nonpublic information. Cardinal hereby requests, pursuant to the state Freedom of Information Law ("FOIL"), N.Y. Pub. Off. § 89(5), that this letter be treated, in its entirety, as nonpublic and confidential, exempt from production under FOIL pursuant to N.Y. Pub. Off. § 87(2) and any other applicable law or regulation, and that this letter, and any information contained in it, not be published, made part of any public record, or made available to any person.

In particular, but not to the exclusion of any other grounds, this letter and the enclosure are exempt from disclosure under FOIL pursuant to N.Y. Pub. Off. §§ 87(2)(a), (2)(b), (2)(d) and (2)(e) and would constitute an unwarranted invasion of privacy under the provisions



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of N.Y. Pub. Off. § 89(2) because such disclosure would include, among other things, employment and personal information, confidential financial and commercial information, and trade secrets, which, if disclosed, would cause substantial injury to the competitive position of Cardinal. Additionally, because such information has been provided to the Attorney General in connection with an ongoing investigation that could result in enforcement activities, such disclosure would be contrary to N.Y. Pub. Off. § 87(2)(e).

Cardinal further requests that all of the following related materials, in their entirety, be likewise treated as nonpublic and confidential matters under FOIL and any other applicable laws and regulations:

- A. Any memoranda, notes, transcripts or other writings which are made by or at the direction of any employee of the Attorney General (or any other government agency) which incorporate, include or relate to any of the matters:
  - 1. contained in the Submission; or
  - 2. referred to in any conference, meeting, telephone conversation or interview, between:
    - a. any employee, former employee, representative, agent of, and/or counsel to Cardinal Health; and
    - b. an employee of the Attorney General.
- B. This letter and the enclosure.

Should any person request an opportunity to inspect or copy this letter, the enclosure, or any of the related materials described above, Cardinal requests that it be notified immediately of any such request pursuant to N.Y. Pub. Off. § 89(5)(b)(1) and be furnished promptly with all written materials pertaining to such request and be given an opportunity to submit a written statement supporting the exception of the Submission from disclosure. Cardinal further requests that it thereafter be notified promptly of any agency determination with respect to such request and that, pursuant to N.Y. Pub. Off. § 89(5)(c), it be given at least seven days' written notice prior to any intended release so that it may submit additional material substantiating this claim. If the Attorney General determines that confidential treatment is not warranted with respect to the Submission, or any related materials, Cardinal respectfully requests that, pursuant to N.Y. Pub. Off. § 89(5)(d), it be provided 15 days' notice prior of any intended release so that it may pursue any available remedies.

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Please send any such notices by telecopy to both:

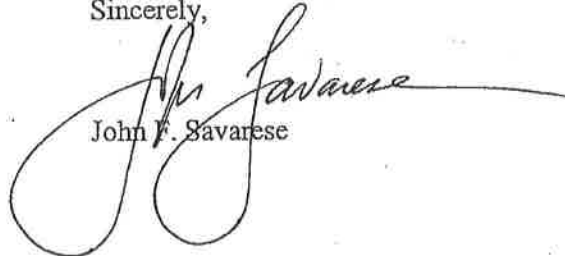
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The Submission is being provided to the Attorney General for the purpose of assisting it in connection with the above-referenced investigation. At the conclusion of the Attorney General's interest in these matters, Cardinal requests that the Submission and any other related materials provided to the Attorney General, and any copies thereof, be returned to Cardinal. Finally, please note that submission of this letter and the materials enclosed herewith is without prejudice to and with full reservation of all privileges, rights and protections, including the attorney-client privilege and work product immunity, which may pertain to such documents.

Please let us know if you have any questions regarding the enclosed.

Sincerely,



John F. Savarese

Enclosure

cc: Ivan K. Fong, Esq.  
Corey Goldsand, Esq.  
Thomas L. Long, Esq.